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CURRENT SOURCES OF INFORMATION IN PRODUCE MARKETS¹

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Sources of Information in the Cotton Market

Current information dealing with the cotton market may be divided into two classes, based on the point of origin of the data, viz: (1) information concerning production, acreage and condition; and (2) statistics of current prices. The one must emanate necessarily from the area of production; for the other the only source is the exchanges. Cotton, like wheat, is peculiar in this respect that there has developed a most extensive system of trading in futures, and the middlemen on whose shoulders falls the risk of this system find it an economic necessity to discount pending conditions of supply and demand so as to shape their affairs to conform with a season's average condition. Mr. Henry G. Hester, secretary of the New Orleans Cotton Exchange, famous for his cotton reports, speaking of the need of these reports and the amount of dependence that can be placed upon them, says: "Reports of this kind are valuable as indications of the trend of supply and demand, and their contents exert more or less influence as statements of facts bearing upon the basic causes of price fluctuations. All other matters, such as wars and rumors of wars, panics, dear and cheap money, etc., etc., by reason of their bearing upon either the volume of supplies or the extent of demand for an article are collateral. Upon reliable statements of facts the world bases its opinions; these coupled with collateral conditions are the sources of deductions or forecasts of the possible or probable course of future values. To the extent of the reliability of statements of facts, or perhaps it would be more correct to say the amount of confidence reposed in such statements, is the price of an article more or less governed. The fear of the

¹Only the most important sources of market news could be enumerated for each of the leading markets, and where criticisms have been offered, they have in nearly every case been given to represent the judgments of brokers and dealers, directly interested in the market, as obtained by personal interview or correspondence.

effect of any cause upon the possible supply or possible demand is proven to be more or less grounded by the actual facts as they occur, and while such fears may exert a temporary influence on values, the permanency of such influence is determined only through information concerning actualities."

The extensive area over which cotton is grown is the explanation of the large and complicated organizations which are engaged in reporting on production, condition and acreage of cotton. Greatest of all among these organizations is the United States Government. That the government crop reports have been subjected to just criticism in the past is undoubted. It is just as true that the cause of that criticism has been removed, and that the greatest degree of care is used in compiling and issuing the reports so as not to permit them to become prematurely available to unscrupulous manipulators. Nevertheless there are to-day still a great many brokers who maintain that all persons legitimately concerned in the distribution of the cotton crop would be better off if there were no crop reports issued. A favorite criticism levelled at the reports is that they are, and in their nature can be, nothing more than a guess by a government board; that both weather and acreage reports are used by manipulators and plungers to influence prices, thereby causing more and greater price fluctuations, and producing the very thing they were intended to prevent. Some brokers go to the extent of saying that the trade as a whole would be better off were no reports of any kind ever published. Upon analysis the situation appears to be a struggle between the interests most concerned in the "spot" markets and those interested in the "future" markets. The merchant dealing in the spot market is interested in his commission and therefore is interested in as high a price for the product as he can get. In this he is supported by the producer. The dealer in the future market is the one who makes possible hedging operations on the part of manufacturers and the latter are interested in getting cotton at rock bottom prices. Between these two range the speculator and the manipulator ready to take advantage of a change of price in either direction. It is probable that the time will never come when all of such diverse interests can be wholly satisfied. In the meantime the government crop reports will continue to be published and their publication will have the loyal support of at least a large and influential minority of those interested.

COMMERCIAL EXCHANGE

—OF—

PHILADELPHIA

Vol. XXIV., No. 126.

PHILADELPHIA, SATURDAY, JUNE 3, 1911. (Last Edition.)

Single Copies 2 Cents

PHILADELPHIA MARKET REPORT

[Entered at the Philadelphia Post Office as second-class matter.]

OFFICIAL MARKET REPORT OF THE COMMERCIAL EXCHANGE.

FLOUR — Receipts to-day, 1,460 bbls and 713,440 lbs in sacks. The market was dull and unchanged, with moderate but ample offerings. We quote $\$$ 196 lbs in wood—
 Winter clear..... 3 25 @ 3 50
 do straight..... 3 85 @ 4 10
 do patent..... 4 15 @ 4 65
 Kansas, straight, sacks..... 4 10 @ 4 40
 Spring, clear..... 3 70 @ 4 10
 do straight..... 4 35 @ 4 60
 do patent..... 4 90 @ 5 15
 do do favorite brands... 5 25 @ 5 90
 City Mills choice & fancy patent 5 25 @ 5 90
 City Mills, regular grades—
 Winter, clear..... 3 30 @ 3 60
 do straight..... 3 90 @ 4 20
 do patent..... 4 25 @ 4 75
Rye Flour — Ruled firm, under scarcity. We quote good to choice Penna. at $\$$ 5.00 @ 5.25 $\$$ bbl in wood; and western at $\$$ 5.25 $\$$

NOTE.—On all sales of corn and oats to local trade—except those on track—there is a charge of $\frac{1}{2}\%$ for storage and elevating, which is paid by the buyer. Sales of grain, flour, &c., by the jobbing trade are at an advance over the wholesale quotations herein recorded.

OATS—Trade was fairly active and prices further advanced $\frac{1}{2}\%$, under light offerings.

We quote:
 No. 2 white..... — 42 @ — 42 $\frac{1}{2}\%$
 Standard white..... — 41 $\frac{1}{2}\%$ @ — 42
 No. 3 white..... — 40 $\frac{1}{2}\%$ @ — 41
 Rejected white..... — 37 $\frac{1}{2}\%$ @ — 38 $\frac{1}{2}\%$
 Receipts Shipments, Stock.
 Girard Pt. Stg. Co. — — —
 Port Richmond... 2,990 4,529 18,360
 20th St. Elevator.. — — —
 23d St. Stores..... 21,000 21,000 —
 Track..... — — —
 Total..... 23,990 25,529 18,360

GRAIN INSPECTIONS.

JUNE 2, 1911.

| | Cars | IN— | Cars | IN— |
|---------------------|------|-----------------------|------|-----|
| No. 2 Yellow Corn.. | 2 | No. 2 White Cpld O. | 2 | |
| N. E. Grade Corn.. | 2 | N. E. G. Cpld. Oats.. | 2 | |
| No. 1 Hard Sng. W. | 5 | No. 2 White Oats... | 9 | |
| Manitoba No. 2, N. | 1 | Standard White Oats | 1 | |
| Spring Wheat..... | 11 | N. E. Grade Oats... | 4 | |
| Manitoba No. 5 Sng. | 5 | Wheat..... | 5 | |
| Total..... | 42 | | | |

We quote car lots:
 Winter Bran, in bulk, $\$$ ton... 25 50 @ 26 —
 Spring Bran, in 100-lb sacks, $\$$ ton..... 25 50 @ 26 —
BALED HAY AND STRAW—Receipts to-day, 330 tons of hay and 1 car of straw. Hay sold slowly, with ample offerings at former rates. Straw ruled steady though quiet.

TIMOTHY HAY.
 No. 1 large bales..... 25 50 @ 26 —
 No. 1 small bales..... 23 50 @ —
 No. 2..... 23 50 @ 24 —
 No. 3..... 20 @ 20 50
 No grade..... 14 @ 16 —
CLOVER MIXED HAY.
 No. 1..... 22 @ 23 —
 No. 2..... 18 50 @ 19 50
STRAW.
 No. 1 straight rye..... — @ 12 —
 No. 2..... — @ 11 —
 Tangled rye, No. 1..... — @ 11 —
 do No. 2..... 9 50 @ 10 —
 Oat, No. 1..... 8 50 @ 9 —
 Oat, No. 2..... 8 50 @ 8 —
 Wheat, No. 1..... 7 @ 8 50
 Wheat, No. 2..... 7 @ 7 50

PROVISIONS—Are firm.

City beef, in sets, smoked and salt dried..... 20 @ 21
 Western beef, in sets, smoked.... 18 @ — 20
 City beef, in sets, and salt dried, smoked and air dried..... 22 @ — 23
 Western, beef, knuckles and tenders, smoked..... 19 @ — 20

The government reports are of three kinds: (1) the Weather Bureau reports; (2) reports of the Census Bureau on acreage and on cotton ginned; and (3) reports of the Department of Agriculture published in the "Crop Reporter." The Weather Bureau reports are issued weekly and, as the name indicates, afford an opportunity of getting a line on weather conditions in the regions of the growing crop. The Census Bureau compiles reports of cotton ginned from statements received by it from the gins in active operation.

An unusual example of the accuracy with which these ginning reports measure the cotton crop was given last year (crop year of 1909-1910). The Census Bureau had reported 10,386,000 bales of cotton ginned for the year. When Secretary Hester's report on the crop appeared in September it gave the actual growth for 1909-1910 as 10,389,000 bales, a difference of only 3,000 bales. Needless to say that, while they usually correspond closely, they do not often produce a result like the above. The reports of cotton ginned also give the bureau an opportunity to get a line on the acreage.

Every five years a census is taken of the acreage. This acreage estimate is available to, and is used by, the Department of Agriculture. The first Census Bureau report, issued in June, gives estimated acreage as of May 25th. Thereafter, twice monthly, the bureau reports on the amount ginned. In March the total quantity ginned is reported. The Department of Agriculture through the crop reporting board makes six reports yearly on cotton. The first, issued on June 2d, reports the acreage and condition of the crop on May 25th, by states. Thereafter, in July, August, September and October, the condition of cotton is reported for the twenty-fifth of the month previous. The last report, issued about December 10th, publishes the estimate of the total production of cotton by states for the year.

Private reports on cotton fall heir to much the same criticism that is directed against the government reports. Among the total number will be found many which are little more than guess work, and in which no credence can be placed. But, on the other hand, some of the private reports are prepared with the utmost care that large and costly organizations can give and deserve the confidence reposed in them.

A great many trade newspapers collect their own cotton statistics. Among these the reports of the "New York Journal of Com-

merce" are probably most widely known. They are collected by means of a large corps of correspondents located all over the cotton states, who send in their reports by letter or by wire to headquarters. The methods of the "Journal" are molded very much after those of the Department of Agriculture in the preparation of its crop reports. Much the same methods are followed by the "New York Commercial." It publishes currently the usual statistics, but in addition issues four special crop editions during the season, often anticipating the government estimates by days and coming remarkably close to the figures of the latter. These special editions refer to "acreage planted," "prospective yield," "condition" in September, and "total crop" early in December.

There are a number of newspapers in the South which report on the growing cotton crop, some of them for the crop as a whole, some of them confining their attention more to local conditions. The "New Orleans Times-Democrat" maintains correspondents in every section of the cotton belt and through them obtains and publishes comprehensive reports and a summary. In December, a few days prior to the publication of the government's estimate, the "Times-Democrat" prints its estimate of the season's growth, and in years past this result has borne a very close correspondence with the actual figures appearing later.

Among individuals and firms publishing private reports on cotton, the best known are Henry G. Hester, secretary of the New Orleans Cotton Exchange; Oscar K. Lyle, of the firm of S. B. Chapin & Co., New York, and the Mercantile Cotton Crop Reporting Corporation, New York, which latter organization publish the reports formerly issued by Mr. Theodore H. Price. Secretary Hester's report is an annual one, coming out on September 1st and treating of the cotton crop to the close of August. Ordinarily, annual reports are looked upon as of historical importance only, but this report, because of its exhaustive nature and because of the confidence reposed in it, is eagerly watched for and undoubtedly exercises marked influence on the market. Secretary Hester's data are obtained from transportation companies, manufacturers, exchanges, boards of trade and expert correspondents on both sides of the Atlantic. Much of the detailed data obtained from manufacturers, railroads, etc., is of a confidential nature, but as he himself says, "Once it became known that the effort of the statistician was to

arrive at correct aggregates and not to make public the affairs of specific concerns there has been little or no hesitancy in the furnishing of details." His report covers an analysis of the sources of supply with a history of the year's crop compared with previous years; the distribution of the crop to American mills both North and South, the overland movement and exports; and detailed stocks on hand.

In the case of Oscar K. Lyle's crop observations no blank forms are used, making a description of his methods very difficult. His results, however, are among those which are accepted as authoritative estimates.

COTTON (ARKANSAS)

| 1908 | PAST YIELD 1907 | 1906 | County | Average Yield | Proportional Quotient |
|--------|--------------------|--------|--------------|------------------|--------------------------|
| 7,681 | 5,269 | 7,313 | Arkansas | 6,754 | .78 |
| 22,008 | 22,328 | 25,290 | Ashley | 23,208 | 2.65 |
| 4,957 | 3,029 | 3,780 | Baxter | 3,922 | .45 |
| 932 | 393 | 692 | Boone | 692 | .07 |
| 5,407 | 4,337 | 5,237 | Bradley | 4,993 | .57 |
| 5,555 | 4,568 | 5,076 | Calhoun | 5,067 | .57 |
| 27,702 | 25,240 | 25,968 | Chicot | 26,203 | 2.76 |
| 9,877 | 8,757 | 10,647 | Clark | 9,760 | 1.12 |
| 15,118 | 9,688 | 12,117 | Clay | 12,307 | 1.43 |
| 5,004 | 3,011 | 4,119 | Cleburne | 4,033 | .45 |
| 8,671 | 6,368 | 7,936 | Cleveland | 7,658 | .87 |
| 17,747 | 17,243 | 22,934 | Columbia | 19,308 | 2.20 |
| 21,256 | 14,403 | 20,418 | Conway | 18,692 | 2.13 |
| 13,984 | 7,667 | 11,497 | Craighead | 11,149 | 1.26 |
| 14,097 | 14,728 | 16,656 | Crawford | 15,160 | 1.74 |
| 32,605 | 27,545 | 24,074 | Crittenden | 28,074 | 3.17 |
| 10,460 | 8,245 | 9,489 | Cross | 9,398 | 1.06 |
| 5,404 | 3,897 | 4,717 | Dallas | 4,673 | .53 |
| 12,125 | 12,014 | 15,162 | Desha | 13,100 | 1.52 |
| 19,983 | 14,595 | 19,284 | Drew | 17,950 | 2.05 |
| 20,351 | 13,289 | 19,960 | Faulkner | 17,867 | 2.04 |
| 14,972 | 11,639 | 12,640 | Franklin | 13,084 | 1.49 |
| 4,785 | 2,494 | 3,714 | Fulton | 3,664 | .42 |
| 2,381 | 1,675 | 1,169 | Garland | 1,742 | .19 |
| 4,456 | 2,439 | 2,659 | Grant | 3,185 | .36 |
| 9,696 | 6,416 | 9,336 | Greene | 8,483 | .96 |
| 15,164 | 16,038 | 24,054 | Hempstead | 18,419 | 2.10 |
| 6,794 | 4,443 | 3,692 | Hot Spring | 4,976 | .58 |
| 10,067 | 9,255 | 11,347 | Howard | 10,223 | 1.17 |
| 17,294 | 7,730 | 14,287 | Independence | 13,103 | 1.49 |

COTTON (ARKANSAS)—(Continued)

| 1908 | PAST YIELD 1907 | 1906 | County | Average Yield | Proportional Quotient |
|---------|--------------------|---------|--------------|------------------|--------------------------|
| 6,605 | 3,512 | 5,101 | Izard | 5,073 | .57 |
| 34,882 | 17,395 | 24,419 | Jackson | 25,532 | 3.01 |
| 45,834 | 35,203 | 40,129 | Jefferson | 40,389 | 4.61 |
| 13,101 | 9,207 | 9,846 | Johnson | 10,718 | 1.24 |
| 4,790 | 8,284 | 13,006 | Lafayette | 8,693 | 1.00 |
| 21,281 | 12,908 | 14,346 | Lawrence | 16,178 | 1.83 |
| 32,282 | 21,411 | 22,616 | Lee | 25,436 | 2.89 |
| 16,495 | 15,301 | 18,319 | Lincoln | 16,705 | 1.90 |
| 6,438 | 10,602 | 15,391 | Little River | 10,820 | 1.23 |
| 23,343 | 16,900 | 18,736 | Logan | 19,659 | 2.46 |
| 46,246 | 27,540 | 31,651 | Lonoke | 35,145 | 3.99 |
| 2,692 | 1,551 | 1,860 | Marion | 2,034 | .22 |
| 3,328 | 5,993 | 11,432 | Miller | 6,917 | .79 |
| 36,747 | 28,057 | 29,355 | Mississippi | 31,286 | 3.60 |
| 25,095 | 15,121 | 17,524 | Monroe | 19,246 | 2.43 |
| 4,313 | 3,655 | 4,156 | Montgomery | 4,041 | .47 |
| 11,374 | 10,895 | 15,003 | Nevada | 12,424 | 1.41 |
| 605 | 351 | 533 | Newton | 496 | .06 |
| 9,724 | 8,482 | 10,145 | Ouachita | 9,450 | 1.08 |
| 6,493 | 3,582 | 5,948 | Perry | 4,674 | .53 |
| 36,032 | 25,219 | 23,776 | Phillips | 28,342 | 3.22 |
| 3,930 | 4,411 | 4,468 | Pike | 4,269 | .50 |
| 5,638 | 3,359 | 4,248 | Poinsett | 4,414 | .52 |
| 3,231 | 2,547 | 2,702 | Polk | 3,826 | .43 |
| 23,284 | 13,939 | 18,147 | Pope | 18,456 | 2.10 |
| 9,763 | 7,757 | 9,392 | Prairie | 8,970 | 1.02 |
| 23,279 | 15,580 | 18,142 | Pulaski | 19,000 | 2.15 |
| 12,231 | 6,051 | 6,989 | Randolph | 8,427 | .95 |
| 27,483 | 22,564 | 20,310 | St. Francis | 23,452 | 2.67 |
| 5,231 | 3,722 | 4,798 | Saline | 4,587 | .52 |
| 7,134 | 4,969 | 5,984 | Scott | 6,029 | .69 |
| 2,099 | 1,376 | 2,101 | Searcy | 1,859 | .22 |
| 11,547 | 9,364 | 10,811 | Sebastian | 10,577 | 1.20 |
| 7,212 | 7,318 | 9,512 | Sevier | 8,014 | .91 |
| 5,230 | 2,706 | 4,309 | Sharp | 4,081 | .45 |
| 2,237 | 1,175 | 2,084 | Stone | 1,832 | .20 |
| 14,351 | 16,137 | 17,812 | Union | 16,100 | 1.93 |
| 6,522 | 4,286 | 4,933 | Van Buren | 5,247 | .59 |
| 18,685 | 13,292 | 16,002 | White | 15,993 | 1.82 |
| 29,913 | 23,663 | 23,196 | Woodruff | 25,590 | 3.01 |
| 22,860 | 17,723 | 19,766 | Yell | 20,116 | 2.30 |
| | | 6 | All other | 2 | |
| 996,093 | 751,851 | 894,268 | | 880,936 | 100.00 |

The method used by the Mercantile Cotton Crop Reporting Corporation for obtaining their data is that noted in several previous instances, namely, the use of a great number of picked correspondents located in the cotton producing area. A postal is addressed to each one of these asking for estimates. In compiling this data a system of weighing is used, and it certainly contributes to a result more scientifically accurate than could a simple arithmetic average of all the replies received. The county is the basis on which the results are tabulated. For each state a blank form is used like the one here reproduced for Arkansas, giving the yield of cotton for each county for three years past. The average of these three years is then computed; another column giving the percentage which the average for the county is of the total average crop for the three years. This column of percentages, then, gives the relative weight that the returns of each county are going to bear in making up the total for the state. Ashley county, for instance, would be credited with 2.65 per cent. of the yield, calculated on the state. Pike county would be credited with only .50 per cent. Having obtained a figure for each state, these are again weighed for the final or United States result. Florida would be credited with one per cent, while Texas would have twenty-eight per cent. If estimates of the cotton crop are valuable, then the scientific method used above for arriving at a correct estimate is to be encouraged.

Opposed to this way of arriving at results will be found many to which the application of the term scientific would be a travesty. For instance, among doubtful methods of arriving at results the following examples might be cited: Inquiries are sent to dealers, buyers, farmers, etc., asking the simple question, "How much cotton will your county raise this year?" To the sum of the results thus received seven and one-half per cent is added, based on the observations that these correspondents generally underestimate the crop by that amount. This latter result is made the basis of a published estimate on the size of the crop. Many reports will be found which are based on no more trustworthy methods, and their existence justifies the suggestion that a careful description of method is due from any organization which issues reports to those who receive reports and base their operations on them. More diligence in this matter would mean less opportunity for manipulating the market.

In addition to the statistics thus far discussed concerning the

cotton crop, brokers, producers and manufacturers are interested in current prices on the exchanges. This subject needs only a mention here, for each exchange individually compiles its own data, and by means of the ticker, telegraph and cable, and later the newspapers, this information is immediately disseminated to all interested parties.

Sources of Information in the Cereal Markets

Current information in the cereal markets is sought more eagerly than any other data in the produce markets, owing to the commanding importance which grain occupies. The system of trading in futures is greater in wheat even than it is in cotton, and just in proportion as it is greater there is greater demand for data as to current happenings.

It was to forecast the probable wheat crop that the government crop reports were first undertaken. From a small beginning they have grown in scope until to-day they cover almost everything grown in the United States that can be considered of commercial importance. Those parts of the reports dealing with the cereal crops which are traded in on exchanges are as follows: The March report gives the stocks of grain in farmers' hands; the distribution and consumption of corn, wheat and oats; and the average natural weight of wheat and oats. The April schedule, the first which gives condition reports, deals with the condition of winter wheat and rye. In May further reports are made upon the condition of winter wheat, rye, meadow lands and spring pasture. It also covers the portion of the original acreage of winter wheat that has been, or will for any reason have to be, abandoned. In June the acreage of all the important crops is reported on, chief among which is spring wheat. The condition of wheat, oats, barley, rye, clover and spring pasture is dealt with. The July schedule gives the acreage planted to corn; the stocks of wheat in farmers' hands; and the condition figures as before. Condition figures are reported for all crops up to September, when most of the smaller cereals are harvested. The condition of corn is reported on in October, and in the annual report for December the condition of winter wheat and rye planted for the following year's crop is dealt with. In addition to these data, the estimated average yield of winter wheat and the stocks of oats in farmers' hands are dealt with in August; the average yield and quality of spring wheat, barley, oats and rye in October; and the

average yield per acre of corn in November. The annual report of the crop reporting board comes out in December, when all crops are harvested and it is possible to obtain trustworthy estimates of the total crops. The production and prices of all the principal crops are dealt with in this schedule, together with the acreage of winter wheat and rye sown for the crop of the following year. The government's weekly weather reports are watched in the grain markets equally as closely as in cotton. In fact, some brokers will go so far as to say that a careful observance of weather conditions throughout the producing area will enable them to anticipate very closely the result of a coming crop report.

Aside from the government reports there are three agencies for securing news in the grain markets. They are (1) the grain exchanges and allied organizations; (2) large commission and brokerage firms, which make a canvass by correspondence; and (3) the private crop expert, the latter analogous to those already noted in the cotton market.

The grain exchanges annually spend enormous sums of money in compiling statistics of their own dealings. Nearly every exchange maintains a committee whose duty this shall be. The practice of the Philadelphia Commercial Exchange is typical. Its by-laws state that "The committee on information and statistics shall have supervision of the library of the exchange, and all matters pertaining thereto. . . . It shall, unless otherwise directed, have charge of newspapers, market reports, telegraphic and statistical information for the use of the exchange; and it shall be the duty of the said committee to organize plans for obtaining regularly, and at the earliest moment, such reliable information as may affect the value of articles dealt in by the members of the exchange."

The Philadelphia exchange publishes each day a record of stocks held in elevators, vessels or cars loaded, and daily receipts and shipments. A reduced facsimile of one of their daily reports is shown on page 106. Some of the exchanges go further and attempt to compile summaries. The Chicago Board of Trade, for instance, compiles figures of visible supplies of grain. But in this immediate connection the work that is best known and has most general acceptance throughout the country is that of "Bradstreet's Trade Review." Bradstreet's collects the figures of stock of grain on hand at the grain supply centers by means of agents and the use of

the telegraph, and the total is published in the journal of that name. Visible supply figures are also published weekly by "Dun's Review."

The greatest organization of all, either in this country or abroad, dealing with the grain exchanges as a whole is Broomhall's Agency. Broomhall's Agency has become the official representative of practically every important grain exchange in the world. Its method of operation is well described by Mr. G. P. Broomhall, the American representative, in a letter to the writer: "We have no regular forms which we send to our correspondents, but our agents send us advices, some daily, others weekly, either by mail or wire and also by cable. We have, for instance, about three hundred agents and correspondents scattered all through the important grain-producing countries, and any change in weather conditions, say in Russia or Argentine, is at once cabled to our Liverpool office, from which point it is again disseminated, in America, for instance, by this office" [the New York office] "to private subscribers here at New York, and they in turn wire the information over their private wires to Chicago and the far West. We are the foreign correspondents for the Chicago Board of Trade, and since January 1st this year [1911] are supplying the New York Produce Exchange with all their foreign information. The Buenos Ayres Grain Exchange also receives our foreign grain service, and also the Liverpool grain exchanges.

"All the largest exchanges in the world which handle grain use our foreign cabled grain service. We have agents on all these markets and through them we obtain the official prices posted on them, and they are in turn sent to Liverpool and again redistributed to other exchanges. Statistical information, such as exports, receipts, shipments, are also gathered by our agents and sent to Liverpool, who in turn have them tabulated and sent through the various countries. For instance, each Saturday afternoon I personally compile the shipments of wheat, corn and flour, that is, the amount of grain shipped from the different ports in this country for the week. We have agents at all the ports on the Atlantic and Pacific seaboard and they send me in by mail and wire the amount of grain shipped for the week, and after condensing same I cable this information to my Liverpool office, and they, after receiving the returns from our agents in Russia, Argentine, India, Australia and any other exporting countries, are able by this to compile the

THURSDAY, June 8th, 3 P. M. 1911

Total, 18,500 bags.

| | July | Aug. | Total, 18,500 bags. |
|------------|---------|--------|---------------------|
| Completed | 684,749 | 83,126 | 767,875 |
| In process | 740,000 | 51,350 | 791,350 |
| | | | 578.51 |
| | | | 500.00 |

[illegible][illegible][illegible]

| | | | |
|----------------|-------|---------------|-------|
| June..... | 67.50 | December..... | 67.53 |
| July..... | 67.50 | January..... | 67.00 |
| August..... | 67.75 | February..... | 67.00 |
| September..... | 69.00 | March..... | 67.00 |
| October..... | 67.75 | April..... | 67.00 |
| November..... | 67.50 | May..... | 66.75 |

Sales 0.0000

total amount of wheat shipped for the week from all countries. . . . Our head office in Liverpool is the center to which all information is mailed, wired and cabled, and they in turn through the different exchanges are able to have the information made public all through the world." Broomhall's "Corn Trade News" is the official paper of this agency, a special edition of which is published in New York. Prices are sent from New York to Liverpool and posted on the exchange board within six minutes, and direct communication from New York to Argentine is accomplished within fifteen minutes.

In addition to the methods just described for collecting and compiling data, many of the larger grain commission and brokerage houses, such as Finley Barrell & Co., Chicago; Logan & Bryan, New York; Bartlett Frazier Company, New York; and S. B. Chapin & Co., New York, make a practice of canvassing the intelligent opinion of men located in the grain belt for the purpose of estimating the conditions of the grain, the acreage, etc. As an example, Finley Barrell & Co. recently mailed to some five thousand individual correspondents postal cards having the following questions concerning the corn crop:

Has corn crop turned out better or poorer than expected?
Are husking returns larger or smaller than expected?
What is the present condition of corn?
Are farmers satisfied with present prices?
Have they sold new corn freely?
Will movement to market be free?
How soon will it commence?

A great number of these correspondents are in daily communication with their firms and are able to inform the latter of any circumstance of sufficient importance to justify a special investigation. In fact, Mr. S. S. Daniels, editor of the market reports of the Philadelphia Commercial Exchange, is authority for the statement that these reports coming in daily over cables, wires and tickers are the greatest general factor influencing prices.

The private crop experts are usually in the employ of, or represent, some large firm or commission merchants. Here as elsewhere it will be found that there are both good and bad. Numbers of so-called crop experts publish misleading crop reports in order to influence the market in the interest of speculators. But there are a

number—one broker puts it at less than one and one-half dozen—of genuine crop experts, men of mature judgment whose business it is to give disinterested and impartial advice on the growing crops and whose opinions can be depended upon to represent the facts as they know them. Foremost among such men in this country are Mr. John M. Inglis, with Logan & Bryan, New York; Mr. B. W. Snow, of Bartlett Frazier Company, New York; Mr. Oscar K. Lyle, of S. B. Chapin & Co., New York; and Mr. George M. Le Count, with Finley Barrell & Co., Chicago. Representatives of any of these firms can usually be found on any important grain exchange.

These different men use different methods. The method of Mr. Le Count, for instance, is that of direct observation, going into and through the grain growing sections of the country and minutely examining the growing crops. Snow's reports, on the other hand, are the result of an organization almost as complicated as and modeled upon the government crop reporting service. Needless to say, these men, while classified together here, perform functions differing the one from the other.

The Coffee Market

The coffee market, like the grain market, looks to the exchanges for its current information. The production of coffee is localized as is probably no other commodity sold to-day by the exchange method. By far the largest part of the world's supply is grown in the State of Sao Paulo, Brazil. A small portion comes from the East Indies. The exchanges which are instrumental in fixing the prices of coffee are New York, Havre, Bremen and Hamburg. There are some private reports on coffee, but the superintendent of the New York Coffee Exchange is authority for the statement that with one exception they have no influence on the market. That report is the one issued by Messrs. Willet and Gray, of New York.

The great source of information in the United States on the coffee market is the New York Coffee Exchange. It publishes daily, monthly and annual reports; its figures are accepted as accurate throughout the world, and its reports are looked forward to with great interest by the trade. The statistical work of this exchange consists in collecting and compiling daily detailed information as to the prices of coffee on its own floor, at Havre, Hamburg and Rio de Janeiro; stocks on hand with their location; daily and weekly

receipts and deliveries from all important warehouses of the world; coffee afloat, with source of origin and destination; and, lastly, reports on weather and temperature in the regions of coffee production. This information furnishes a complete report of the daily condition of the growing crop, the location and the movement of stocks on hand and the prices ruling on the important exchanges.

These daily reports are further condensed into a *monthly summary* of the figures enumerated above. The most important item of the monthly report is the table of the world's visible supply, and it is looked forward to each month with great interest. The visible supply figures are also compiled by two European organizations, viz: Messrs. Duuring & Zoon, of Rotterdam, and Mr. E. Laneuville, of Havre. The three separate totals show a very small difference.

The "Annual Supplement" of the coffee exchange report summarizes in more condensed form the reports already noted and is of historical value principally. It serves, of course, to afford a quick comparison for a series of years as regards the total yield, the movement of the crop to points of consumption, and the comparative prices.

Metal Statistics

Information dealing with the metal market may be grouped under three heads, viz: (1) Sources of current statistics; (2) trade papers publishing current information; and (3) annual statistical publications. The following are the important ones:

1. SOURCES OF CURRENT STATISTICS

A. United States Statistics:

American Iron and Steel Association, 261 S. 4th St., Philadelphia.
Copper Producers' Association, No. 1, Liberty St., New York.
Horace J. Stevens, ed. "The Copper Handbook," Houghton, Mich.
"The Iron Trade Review," Cleveland, O.
"Engineering and Mining Journal," New York.
United States Steel Corporation Monthly Report of unfilled orders.
Custom House returns.

B. English and Foreign Statistics:

Julius Matton, 25 Rood Lane, London.
Henry Merton & Co., Ltd., London.
Vivian, Younger & Bond, London.

2. TRADE PAPERS PUBLISHING CURRENT INFORMATION

"The Journal of Commerce and Commercial Bulletin," New York.
"The Iron and Coal Trades Review," London.

- "The Iron Trade Review," Cleveland.
- "The Iron Age," New York.
- "Mineral Industry," New York.
- "Engineering and Mining Journal," New York.
- "American Metal Market" and "Daily Iron and Steel Report."
Published by the American Metal Market Co., 81 Fulton St., New York.
- "The Steel and Metal Digest" (monthly). Published by the American Metal Market Co., 81 Fulton St., New York.
- "Bulletin of the American Iron and Steel Association," 261 S. 4th St., Philadelphia.

3. ANNUAL STATISTICAL PUBLICATIONS

- "Statistical Report of the American Iron and Steel Association,"
261 S. 4th St., Philadelphia.
- "Metal Statistics," published by the American Metal Market Co.,
81 Fulton St., New York.
- Publications of the United States Geological Survey.
- "Commerce and Navigation of the United States," published by the
Bureau of Statistics, Washington, D. C.
- "The Copper Handbook," published by Horace J. Stevens, Hough-
ton, Mich.
- Comparative Statistics of Lead, Copper, Spelter, Tin, Aluminum,
Nickel, Quicksilver and Silver, compiled by the *Metallgesellschaft*,
the *Metallurgische-Gesellschaft A.-G.* and the *Berg-
and Metalbank Aktiengesellschaft*, Frankfurt-am-Main, Germany.
- "Directory of Iron and Steel Works in the United States," pub-
lished by the American Iron and Steel Association.

This classification is made on the basis of nearness to the source whence the statistics originate both in time and place, the intention being to show as nearly as possible in all cases the original source from which the information is compiled, the channels by which it first reaches the general public, and then the annual volumes into which it finally finds its way and is permanently preserved.

The pioneer collecting agency for iron and steel statistics in the United States is the American Iron and Steel Association. Its statistical work relates mainly to the operation of all the iron and steel works of the United States, covering the production of the blast furnaces, rolling mills and steel works. So thoroughly does this organization do its work and in such confidence is it held by the trade that its data are accepted everywhere as authoritative. Its inquiries are sent to each individual manufacturer with requests for his own production. These returns are then summarized by dis-

tricts, states and for the whole country. Much of the success of the association in obtaining data is due to its method of disclosing to no person the results for individual establishments. It publishes only the summaries. It sends out regular blank forms of a most comprehensive nature on which returns are made.

The "Iron Trade Review," of Cleveland, a trade paper, collects from the mines of the Lakes Region their annual output of iron ore. While this is an annual publication, it is the only publication of its kind, and is looked forward to with great interest. It is republished in every important paper which reports on the metal markets.

What is done for iron and steel by the two organizations just noted is done in much the same manner for copper by two other organizations, viz: the Copper Producers' Association, of No. 1 Liberty Street, New York City, and Horace J. Stevens, editor of "The Copper Handbook," Houghton, Michigan. The former is an association created and supported by about a dozen copper producing companies. And since these companies control the entire output, the production of copper is concentrated in a way that makes the gathering of data a simple matter. The Copper Producers' Association has to deal with these few companies only. The reports are published monthly and deal exclusively with copper in marketable condition.

The best available source of statistics of mine production and of general information concerning copper and copper mining companies is that published by Horace J. Stevens in his annual "Copper Handbook." In an extended letter to the writer, Mr. Stevens explains his method of collecting statistics and the importance of this subject justifies a reproduction in substance of his statement. With an annual request which he sends to mine owners he incloses a blank question sheet of a most exhaustive nature. This request goes to the ten thousand and more companies that are described in the "Handbook" and also to several thousand others who are not there included. In addition to these he utilizes other sources of information, as follows: Different governments of the world, through the proper departments, are requested to send official reports and other information not published but on file. All reports of mining companies are kept on file, as are also the prospectii of new companies. The services of a clipping bureau are utilized and

a clipping bureau is maintained in his own office. One of his most valuable sources of information comes from his correspondence with mining engineers throughout the world.

Of first hand material two other sources must still be noted. The United States Steel Corporation now publishes a monthly report of its unfilled orders, and, due to its commanding position in the iron and steel business, this report is taken as indicative of the current condition of that industry. The report is looked forward to with great interest by brokers. The custom house furnishes currently to the trade the figures of imports and exports of metals, which later come out in the monthly and annual summaries. For English and foreign data there are three firms in London whose names are well known. No more than a mere mention of them is necessary here. They are Julius Matton, 25 Rood Lane; Henry R. Merton & Co., Limited, and Vivian, Younger & Bond. Their statistics of production and prices appear in the weekly editions of the "Iron and Coal Trades Review" (London), and they are credited with a large part of the foreign statistics in the principal annual publications.

The second step in the distribution of this enormous mass of information is its publication by the trade papers. A detailed description of the reports of each of these journals is not necessary. The general objection that can be directed at most of them is that they are first technical journals, dealing with the mechanical side of mining and are only secondarily trade journals, publishing market news. The result of this is that their market reports are in many, if not most, cases meager in the extreme. Some of them, as, for instance, the "Iron Trade Review" and the "Engineering and Mining Journal," are important more because of the original material they compile than for their market reports. The "New York Journal of Commerce" is a model among the trade newspapers in this country. Its reports are full, are well classified and are not too much intermingled with "opinions." The "Iron and Coal Trades Review" (London) is also a model trade paper. Its weekly edition has separate divisions devoted to each of the important metal markets, beginning with a concise statement of the condition of the market, followed with a small and concise table of statistics comprising prices, production, etc. A large part of the value of its reports is due to the arrangement of the material in such a way that the substance can be quickly grasped without the necessity of disen-

tangling it from a mass of unimportant data. The pioneer effort in the way of a daily paper devoted exclusively to the metal markets belongs to the American Metal Market Company. Its daily publication, "The American Metal Market and Daily Iron and Steel Report," to-day publishes the best reports on production, prices and news of the metal trades, and it bids fair to become the sort of paper that is needed. The monthly publication of the same organization, "The Steel and Metal Digest," presents the same data in a somewhat less detailed and more summarized form monthly. The American Iron and Steel Association issues a monthly bulletin dealing with the statistics it has compiled. Practically all the daily newspapers in the large cities publish daily reports on the metal markets. Most of these leave much to be desired. They give only a fleeting impression of the market and are hardly trustworthy for one whose interest demands definite and detailed facts.

The work of the annual publications consists in collecting the information already enumerated and putting it in permanent form. Foremost among these is the "Annual Statistical Report of the American Iron and Steel Association," which embodies the yearly results of the work of the association. The "Directory of Iron and Steel Works," published, or revised, every three or four years by the same organization, is the only publication of its kind in the United States and is an invaluable work. "Metal Statistics," published by the American Metal Market Company, is a comparatively recent publication, the fourth edition appearing in 1911. It is somewhat smaller and more condensed than the one first enumerated and presents in a concise handy pocket volume the important data. Its statistics are taken from the compilation of the Iron and Steel Association. The "Copper Handbook," edited and published by Horace J. Stevens, is the best and practically the only volume dealing exhaustively with copper. The United States Government furnishes annual figures which cannot be obtained elsewhere. In the annual reports of the United States Geological Survey are to be found figures of the production and consumption of metals in the United States, and the annual volume on "Commerce and Navigation of the United States," published by the Bureau of Statistics, furnishes figures of imports and exports of metals. Last to be noted is the most exhaustive publication of all dealing with metals, viz: "Comparative Statistics of Lead, Copper, Spelter, Tin, Aluminum, Nickel,

Quicksilver and Silver," published at Frankfurt-am-Main, Germany. This is a compilation by the Metalsgesellschaft, the Metallurgische-Gesellschaft A.-G. and the Berg and Metalbank Aktiengesellschaft, the sources of its statistics being in many instances the organizations already noted, but they are collected here in an exhaustive way nowhere else to be found. The possession of this compilation is indispensable to one who has large interests in the metal markets.